

ORDINANCE NO. 2006-24-105

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA AUTHORIZING THE BORROWING OF FIVE MILLION SIX HUNDRED THOUSAND DOLLARS (\$5,600,000); AUTHORIZING THE ISSUANCE OF CITY OF MIAMI GARDENS, FLORIDA CAPITAL IMPROVEMENT REVENUE BONDS NOT TO EXCEED FIVE MILLION SIX HUNDRED THOUSAND DOLLARS (\$5,600,000); PROVIDING FOR A SUPPLEMENTAL RESOLUTION SETTING FORTH THE DETAILS OF SAID BONDS; PROVIDING FOR ADOPTION OF REPRESENTATIONS; REPEALING ALL ORDINANCES IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City desires to authorize the borrowing of Five Million Six Hundred Thousand Dollars (\$5,600,000), and to authorize the issuance of bonds not exceeding Five Million Six Hundred Thousand Dollars (\$5,600,000) for the purpose of financing or reimbursing a portion of the costs of purchasing vehicles, equipment and machinery for various City departments, and paying costs of issuance of the bonds, and

WHEREAS, pursuant to Section 4.3 of the City's Charter, an ordinance must be adopted in order to authorize the borrowing of money, and

WHEREAS, the Council desires that the bonds be secured by the communication services tax and the local government half-cent sales tax, as further specified by subsequent resolution of the Council,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, AS FOLLOWS:

SECTION 1. ADOPTION OF REPRESENTATIONS: The foregoing Whereas Clauses are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Ordinance.

SECTION 2. AUTHORIZATION: In accordance with the provisions of the Charter of the City of Miami Gardens, Florida and Chapter 166, Florida Statutes, the City Council of the City of Miami Gardens hereby authorizes the borrowing of Five Million Six Hundred Thousand Dollars (\$5,600,000). The City Council further authorizes Capital Improvement Revenue Bonds (the "Bonds") of the City, to be issued in an aggregate principal amount not to exceed Five Million Six Hundred Thousand Dollars (\$5,600,000), in one or more series, for the purpose of financing or reimbursing a portion of the costs of purchasing vehicles, equipment and machinery for various City departments, and paying costs of issuance of the Bonds. The Bonds shall be designated as "City of Miami Gardens, Florida Capital Improvement Revenue Bonds, Series 2006" or such other designation as may be approved

approved by supplemental resolution, shall be dated such date, shall be in such denominations, shall be stated to mature in such year or years not later than six (6) years from their date of issuance, shall bear interest from their dated date at a rate or rates not exceeding the maximum rate permitted by law at the time of issuance of the Bonds, shall be subject to redemption at the option of the City at such times and prices, and shall have such other details, all as shall hereafter be determined by the Council by supplemental resolution. . The supplemental resolution may be adopted, and the Bonds may be issued, at any time after the effective date of this Ordinance.

SECTION 3. AUTHORIZATION: The City Manager and the City Finance Director are each hereby authorized to negotiate with banks and other financial institutions for the purchase of the Bonds and with respect to the terms of the Bonds. The City Attorney and Bond Counsel to the City are hereby authorized to draft documents and to do all other things necessary to accomplish the issuance and sale of the Bonds.


SECTION 4. CONFLICT: All ordinances or Code provisions in conflict herewith are hereby repealed.

SECTION 5. SEVERABILITY: If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this Ordinance.

SECTION 6. EFFECTIVE DATE: This Ordinance will become effective immediately upon its final passage.

PASSED ON FIRST READING THE 2ND DAY OF NOVEMBER, 2006.

ADOPTED AND PASSED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS AT ITS REGULAR MEETING HELD ON THE 13TH DAY OF DECEMBER, 2006.



SHIRLEY GIBSON, MAYOR

ATTEST:



RONETTA TAYLOR, CMC, CITY CLERK

Prepared by ADORNO & YOSS, LLP, Bond Counsel

APPROVED AS TO FORM
SONJA K. DICKENS, CITY ATTORNEY

SPONSORED BY: DANNY O. CREW, CITY MANAGER

MOVED BY: Councilwoman Watson

SECONDED BY: Vice Mayor Braynon

VOTE: 6-1

Mayor Shirley Gibson	<u>x</u> (Yes)	<u> </u> (No)
Vice Mayor Oscar Braynon, II	<u>x</u> (Yes)	<u> </u> (No)
Councilman Melvin L. Bratton	<u>x</u> (Yes)	<u> </u> (No)
Councilman Aaron Campbell, Jr.	<u>x</u> (Yes)	<u> </u> (No)
Councilman André Williams	<u>x</u> (Yes)	<u> </u> (No)
Councilwoman Sharon Pritchett	<u> </u> (Yes)	<u>x</u> (No)
Councilwoman Barbara Watson	<u>x</u> (Yes)	<u> </u> (No)

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City of Miami Gardens

1515-200 NW 167th Street
Miami Gardens, Florida 33169



Mayor Shirley Gibson
Vice Mayor Oscar Braynon II
Councilman Melvin L. Bratton
Councilman Aaron Campbell
Councilman Andre Williams
Councilwoman Sharon Pritchett
Councilwoman Barbara Watson

MEMORANDUM

To: Mayor and City Council

From: Dr. Danny O. Crew
City Manager

Date: December 13, 2006

Re: Capital financing needs Ordinances and Resolution

The City needs financing to acquire vehicles, equipment, machinery in order to initiate operations in the Police Department. Also, the City requested proposals on financing the construction of capital facilities.

The proposal document RFP#06-07-005 was advertised on November 11, 2006. A broadcast notice was sent to 773 firms. Twenty-five proposal packages were requested. Five responses were received and opened on November 16, 2006. The five responses offered 18 options.

Chris Wallace and I met as the selection committee for the Financing RFP on Tuesday afternoon. Pam Thompson, was also in attendance.

After considering the responses and the City's needs, the Committee has ranked the proposals in the following order:

\$5.6 million equipment facility:

Rank
1

Firm
Banc of America Public
Leasing

2

SunTrust Leasing

\$4.4 million capital facility:

Rank

Firm

1	Sun Trust Leasing Alternate \$14.4
2	BOA Fixed
3	Wachovia
4	Regions Banks

In reaching the ranking, we considered a number of factors including: interest rates, call terms, collateral requirements, debt coverage requirements and flexibility and ease of utilization and creativity in financing. The top ranked proposal offers the best all-around approach to our potential borrowing needs for both short term and for long term:

- 1) The \$5.6 million short term facility will allow the City to finance the purchase of its police vehicles and other major equipment over a five year period, thus spreading the impact of such large purchases over the life of the equipment rather than impact our budget in one year.
- 2) The \$4.5 million facility was to be used for the purchase of property for a public works site and a police building. These would have required another bond issue in 2007 in order to acquire sufficient funds for both. One of the criteria of the RFP was to ask the banks to use creativity in structuring proposals. Each bank was invited to submit multiple proposals, which most did. These included fixed rate loans as well as variable rate loans.

To our surprise, SunTrust submitted a unique proposal that ranked it as the recommended proposal. Instead of limiting their proposal to the immediate \$4.4 million loan, they saw by our discussion in the RFP that we would need an additional \$10 next year. (As you know, the City is not restricted to issuing \$10 million in any year unless we want to keep the bond "Bank Qualified" under the IRS regulations. This generally provides banks with an incentive to loan as they receive favorable treatment from the IRS).

However, SunTrust proposed using the same technique as for the equipment loan, a lease-purchase contract, which is not subject to the "bank qualified" incentive as is a traditional bond, but has different tax advantages for bank. This will save time and money by not having to have two sets of issuance costs, and we can bank the additional monies until we need them and earn approximately 1% in interest over what our cost is. We can do this for up to two years. The interest earned will provide extra capital funds to pay for other needed projects.

Recommendation: That City Council approve the ordinance authorizing the negotiation of a contract with Banc of America Public Leasing for the City's equipment financing needs.